



**STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES
PUBLIC NOTICE OF PROPOSED RULE-MAKING**

In accordance Rhode Island General Laws (RIGL) Chapter 42-35, notice is hereby given that the Executive Office of Health and Human Services (EOHHS) proposes to promulgate the following EOHHS rule that was filed on an “emergency” basis on April 1, 2014:

Rhode Island Medicaid Code of Administrative Rules

Section 0362: “Income Generally”

EOHHS is proposing to amend rule #0362 (“Income Generally”) in order to incorporate recent changes to the Federal Poverty Levels (FPLs) as cited in the February 7, 2014 *Informational Bulletin* published by the Centers for Medicare and Medicaid Services. These rules are also being amended to update related sections to reflect 2014 cost of care figures. EOHHS is adopting these amended rules to set forth these provisions in a timely manner in order to prevent wrongful denial, discontinuance, or interruption of benefits for Medicaid applicants and beneficiaries.

In accordance with RIGL section 42-35-3, a hearing will be granted if requested by twenty-five (25) persons, or by an agency or an association having at least twenty-five (25) members. A request for a hearing must be made within thirty (30) days of this notice.

In the development of these proposed Regulations, consideration was given to the following: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small businesses in Rhode Island. No alternative approach, duplication or overlap, or impact upon small businesses was identified based upon available information.

These proposed rules are accessible on the R.I. Secretary of State’s website: <http://www.sos.ri.gov/ProposedRules/> and the EOHHS website www.eohhs.ri.gov or available in hard copy upon request (401-462-1575 or RI Relay, dial 711). Interested persons should submit data, views, written comments, or a request for a hearing **by Monday, June 2, 2014** to: Elizabeth Shelov, Office of Policy and Innovation, Rhode Island Executive Office of Health & Human Services, Louis Pasteur Building, 57 Howard Avenue Room #142, Cranston, RI 02920 or Elizabeth.Shelov@ohhs.ri.gov.

The Executive Office of Health and Human Services does not discriminate against individuals based on race, color, national origin, sex, gender identity or expression, sexual orientation, religious belief, political belief or handicap in acceptance for or provision of services or employment in its programs or activities.

Steven M. Costantino, Secretary
Signed this 15th day of April 2014

0362 Income Generally

The provisions in this Section do not apply to the individuals and families in the Medicaid affordable coverage groups identified in MCAR Section 1301 that took effect on January 1, 2014. The rules governing the application process for the Medicaid affordable coverage groups included in MCAR Section 1301 are located in MCAR Section 1303. Accordingly, the provisions of this Section are applicable only to individuals and families who were enrolled and receiving Medicaid coverage prior to January 1, 2014, as specified.

0362.05 Income Standards - Individual/Couple

REV: 04/2014 April 2014

The following standards are used in the determination of an individual's or couple's income eligibility:

- 2014 Monthly Federal Benefit Rate (FBR);
- Categorically Needy Income Limits;
- Medically Needy Monthly Income Limits;
- ~~2013~~ 2014 Federal Poverty Level Income Guidelines (for Low Income Aged and Disabled Individuals, Qualified Medicare Beneficiaries, Specified Low Income Medicare Beneficiaries and Qualified Disabled and Working Individuals).

2014 Monthly Federal Benefit Rate (FBR)

Individual - Own Home		\$721.00
Couple - Own Home		\$1,082.00
Individual - Home of Another		\$480.44
Couple - Home of Another		\$721.33
"DIFFERENCE BETWEEN"		
Couple and Individual - Own Home		\$361.00
Couple and Individual - Home of Another		\$240.89
"DOUBLE THE FBR"		
Individual - Own Home		\$1,442.00
Individual - Home of Another		\$960.88
Couple - Own Home		\$2,164.00
Couple - Home of Another		\$1,442.66

Categorically Needy Net Monthly Income Limits for Aged, Blind, or Disabled Individuals/Couples

Income Limits	Individual	Couple
Living in a Nursing Facility or ICF-MR Facility	\$ 2,163.00 ¹	N/A
Living in Own Household	\$ 760.92	\$ 1,161.38

¹ By federal law, to be eligible as "Categorically Needy" while living in a nursing facility, ICF-MR facility or a licensed residential care and assisted living facility, an individual's gross income cannot exceed 300% of the federal SSI level of payment for an individual.

Income Limits	Individual	Couple
Living in Household of Another	\$ 532.36	\$ 818.63
Living in a residential care and assisted living facility	\$ 2,163.00	** **Treat as Individual
Institutionalized individual eligible for the federal and state Supplement	\$ 50.00	\$ 100.00

This is the FEDERAL CAP which is \$2,163 effective 01/01/ 2014.

TABLE OF MEDICALLY NEEDY MONTHLY INCOME LIMITS

1 Person	\$ 858.00	5 Persons	\$ 1,417.00
2 Persons	\$ 900.00	6 Persons	\$ 1,592.00
3 Persons	\$ 1,108.00	7 Persons	\$ 1,750.00
4 Persons	\$ 1,258.00	8 Persons	\$ 1,933.00

2013 2014 FEDERAL POVERTY LEVEL MONTHLY INCOME GUIDELINES

100 % of Federal Poverty Level Income Guidelines for Qualified Medicare Beneficiaries (QMB's) and Low-Income Aged and Disabled

Individual	\$ 957.50 <u>\$ 972.50</u>
Couple	\$ 1,292.50 <u>\$1310.83</u>

120 % of Federal Poverty Level Income Guidelines for Specified Low-Income Medicare Beneficiaries (SLMB's)

Individual	\$ 1,149.00 <u>\$1,167.00</u>
Couple	\$ 1,551.00 <u>\$1,573.00</u>

135 % of Federal Poverty Level Income Guidelines for Qualified Individuals (QI-1)

Individual	\$ 1,292.63 <u>\$1,312.88</u>
Couple	\$ 1,744.88 <u>\$1,769.63</u>

200 % of Federal Poverty Level Income Guidelines for Qualified Disabled and Working Individuals (QDWI's)

Individual	\$ 1,915.00 <u>\$1,945.00</u>
Couple	\$ 2,585.00 <u>\$2,621.67</u>

0362.10 Income Definitions

REV: 06/1994

Income is anything received in cash or in-kind that can be used to meet the needs for food, clothing or shelter. In-kind income is not cash, but is actually food, clothing, or shelter, or something the individual can use to get one of these. Earned and unearned income is considered when determining an individual's and couple's financial eligibility.

0362.10.05 Earned Income

REV: 06/1994

Earned income may be in cash or in-kind and consists of the following types of payments:

- Wages;
- Net earnings from self-employment;
- Payments or refunds of earned income tax credits;
- Payments for services performed in a sheltered workshop or work activity.

Earned income is counted as earned income when received (or would have been received except that the applicant/recipient decided to postpone receipt) rather than when earned. This recognizes that the time between earning and receiving income sometimes is long.

In a program based on the current need, the relevant time is when income is received.

0362.10.10 Unearned Income

REV: 06/1994

Unearned income is defined as all income that is not earned income whether cash or in-kind. Some types of unearned income are:

- Deemed income;
- Income from legally liable relatives;
- Workers' Compensation;
- Annuities, pensions, and other periodic payments;
- Alimony and support payments;
- Dividends, interests and royalties;
- Rents;
- Benefits received as the result of another's death to the extent that the total amount exceeds the expenses of the deceased person's last illness and burial paid by the recipient;
- Prizes and awards;
- In-kind support and maintenance (ISM);
- Life insurance proceeds; and
- Gifts and inheritances.

0362.10.15 Forms of Income

REV: 06/1994

Income, whether earned or unearned, may be received in either of two forms, cash and in-kind. Cash includes currency, checks, money orders, or electronic funds transfers (EFT), such as:

- Social Security checks;
- Unemployment compensation checks; and
- Payroll checks or currency.

In-kind includes noncash items such as:

- Real property;
- Food;
- Clothing; and
- Noncash wages (e.g., room and board as compensation for employment).

0362.10.20 Definition of “Individuals Living in their own Households”

REV: 06/1994

The following is a list of individuals living in their own households:

- An individual (or living-with spouse or any person whose income is deemed to the individual) who has an ownership interest or a life estate interest in the home;
- An individual (or living-with spouse or any person whose income is deemed to the individual) who is liable to the landlord/landlady for payment of any part of the rental charges;
- An individual who is in a non-institutional care situation;
- An individual who lives in an all-public assistance household; or
- An individual who pays at least a pro rata share of household operating expenses, AND
 - Is living with someone other than a spouse and/or child(ren) and/or someone whose income is deemable to such individual, AND
 - Is eating meals which s/he did not purchase separately.

0362.10.20.05 Proof of Pro Rata Share

REV: 06/1994

If the applicant claims that s/he is contributing to the household, his/her pro rata share is established by averaging the monthly household operating expenses over the past 12 months and dividing by the number of persons in the household, regardless of age. If exact figures are unavailable, a reasonable estimate is used, considering current expenses and seasons of the year.

The household expenses to be considered, provided someone outside the household does NOT pay for them, are:

Real Property Taxes	Water
Sewer	Heating Fuel
Garbage Removal	Gas
Food	Electricity
Rental Payments	Mortgage (including property insurance)

0362.10.20.10 Documentation of Sharing

REV: 06/1994

The applicant must submit evidence of sharing. This includes bills and receipts which establish the household expenses, and canceled checks or money order receipts which establish the applicant's contributions. When such evidence is not available, statements from the applicant and the person who owns or rents the household are accepted. Copies of all supporting documents are retained in the case record.

The applicant must be advised to retain future bills/receipts in the event a redetermination is required because changes occur, or because s/he wants to rebut one or more of the amounts used in determining the household expenses.

When a change does occur, it is only necessary to determine what is affected by the change. For example, if the only change is in household composition, only the food expense will increase or decrease. If the individual's contribution has decreased, a determination must be made that the lower contribution still constitutes a pro rata share.

0362.15 Counting Income

REV: 06/1994

Generally, income is counted at the EARLIEST of the following points:

- When it is received; or
- When it is credited to an individual's account; or
- When it is set aside for his/her use.

Income is determined monthly and counted in the month it is received.

Occasionally, a regular periodic payment (e.g., wages, title II, or VA benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, the funds are considered to be income in the normal month of receipt.